

## Message Text

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PAGE 01 STATE 152578  
ORIGIN EB-08

INFO OCT-01 NEA-11 ISO-00 AGRE-00 CIAE-00 COME-00  
INR-10 LAB-04 NSAE-00 SP-02 STR-07 TRSE-00 FRB-01  
OMB-01 EA-12 L-03 ITC-01 ARA-14 F-10 EUR-12  
/097 R

DRAFTED BY EB/OT/GCP - CMAST  
APPROVED BY EB/OT/GCP - MBAAS  
EB/TRP - D BURNS (SUBS)  
NEA/INS - J GRAHAME (SUBS)  
STR - D COOPER (INFO)  
-----088829 160246Z /61  
R 151948Z JUN 78  
FM SECSTATE WASHDC  
TO AMEMBASSY NEW DELHI

UNCLAS STATE 152578

E.O. 11652: N/A

TAGS: ETRD, IN

SUBJECT: GSP: ELIGIBILITY OF INDIAN SUGAR EXPORTS

REF: NEW DELHI 8941

1. IN ADDITION TO INFORMATION THAT EMBASSY SUPPLIED  
MINCOMMERCE JOINT SECRETARY IN PARA 2 OF REFTTEL,  
EMBASSY MAY ALSO DRAW ON FOLLOWING:

2. THERE WERE NINE COUNTRIES THAT HAD NOT EXCEEDED THE  
COMPETITIVE NEED LIMITS (33.4 MILLION DOLLARS) ON SUGAR  
DURING 1977 AND THUS WERE ELIGIBLE FOR REDESIGNATION  
IN 1978. THESE COUNTRIES WERE REPUBLIC OF CHINA,  
COLOMBIA, EL SALVADOR, GUYANA, INDIA, JAMAICA,  
NICARAGUA, PANAMA AND THAILAND. AFTER DUE CONSIDERATION,  
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PAGE 02 STATE 152578

THE INTERAGENCY TRADE POLICY STAFF COMMITTEE DECIDED  
NOT TO RECOMMEND REDESIGNATION FOR THE ABOVE COUNTRIES.  
CONSEQUENTLY, WHILE SUGAR REMAINS ON THE DUTY-FREE  
GSP LIST, THE ABOVE COUNTRIES TOGETHER WITH ARGENTINA,  
BRAZIL, DOMINICAN REPUBLIC, GUATEMALA, PERU AND THE  
PHILIPPINE REPUBLIC REMAIN INELIGIBLE FOR GSP DUTY-FREE  
ENTRY FOR SUGAR FOR THE PERIOD BEGINNING MARCH 1, 1978.

3. IN RESPONDING TO QUERIES FROM COUNTRIES THAT WERE NOT REDESIGNATED FOR SUGAR, DEPARTMENT IS REFERRING TO TWO REASONS IN GENERAL WHY IT WAS NOT FOUND POSSIBLE TO REDESIGNATE SUGAR. ONE WAS BECAUSE THE REDESIGNATION OF ELIGIBLE COUNTRIES TO RECEIVE GSP WOULD UNDERMINE THE EFFECTIVENESS OF THE US DOMESTIC SUGAR PRICE SUPPORT PROGRAM AT A TIME WHEN THIS PROGRAM IS JUST BEGINNING AND IS STILL UNDER CLOSE SCRUTINY. IN ADDITION, MANY FOREIGN PRODUCERS OF SUGAR ARE COMPETITIVE IN THE US MARKET WITHOUT GSP BENEFITS.

4. TOTAL SUGAR IMPORTS (TSUS 155.20) DURING 1977 WERE \$1,024 MILLION. OF THIS AMOUNT, \$135 MILLION ENTERED DUTY-FREE UNDER THE GSP PROGRAM. SUGAR EXPORTING COUNTRIES STILL ELIGIBLE FOR GSP DURING CALENDAR YEAR 1978 INCLUDE (1977 EXPORTS IN PARENTHESIS): MOZAMBIQUE (\$20.5 M.), COSTA RICA (\$17.2 M.), SWAZILAND (\$11.6 M.), MAURITIUS (\$9.5 M.), TRINIDAD AND TOBAGO (\$9 M.), BOLIVIA \$8.6 M., AND SMALLER PRODUCERS AMONG WHOM ARE BARBADOS, BELIZE, MALAWI, HONDURAS, FIJI, AND MALAGASY REPUBLIC.

5. EMBASSY MAY ALSO POINT OUT TO GOVERNMENT OF INDIA THAT ELIGIBLE GSP SUPPLIERS GET DUTY-FREE TREATMENT RATHER THAN PAY THE REGULAR DUTY OF 2.8125 CENTS PER UNCLASSIFIED

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PAGE 03 STATE 152578

POUND, RAW VALUE, ON SUGAR. HOWEVER, SINCE SECTION 22 FEES ARE NOT SUBJECT TO GSP CONCESSIONS, THE IMPORT FEE OF 2.70 CENTS PER POUND DOES APPLY TO GSP IMPORTS. CHRISTOPHER

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, EXPORTS, GENERALIZED PREFERENCES (TARIFFS), EXCEPTIONS LIST  
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**Copy:** SINGLE  
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**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
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**Disposition Comment:**  
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**Disposition History:** n/a  
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**Executive Order:** N/A  
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**Expiration:**  
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**TAGS:** ETRD, IN  
**To:** NEW DELHI  
**Type:** TE  
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